(c) what are the details of plans SIDBI has drawn to provide services/assistance like marketing support to small sector;

(d) whether the scheme of assistance for marketing support to small sector qualifies for refinance from SIDBI under Single Window Scheme operated through State Financial Corporations and Schedule Banks; and

(e) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Small Industries Development Bank of India (SIDBI) has reported that as on date refinance to institutions and banks for smaller loans granted to small scale units is available as under:—

Institutions	Nature of loan and amount	Extent of Refinance
(i) State Financial Corporations (SFCs) & Twin function Industrial Development Corporations (IDCs) State Coop. Banks Scheduled Urban Coop. Banks & Regional Rural Banks	Term loan upto Rs. 10 lakhs under Automatic Refinance Scheme (ARS)	100%
(ii) SFCs & Twin function IDCs . . .	Term loan for working capital upto Rs. 10 lakh	100%
(iii) Primary & Central Cooperative Banks .	Term loans under ARS upto Rs. 2 lakhs	100%
(iv) All Banks excluding those in (a) & (c)	All eligible term loans under ARS & Normal Refinance Scheme	75%
(v) Scheduled Commercial Banks . . .	Working Capital upto Rs. 10 lakhs under SWS	50%

(c) SIDBI has introduced the following schemes for providing services/assistance like marketing support to the small scale sector:

(i) Refinance scheme for purchase of mobile vans.

(ii) Refinance Scheme for assistance to marketing entrepreneurs.

(iii) Scheme for Direct assistance to specialised Marketing Agency.

(iv) Direct Discounting of Bills.

(v) Direct Discounting for short term bills.

(d) and (e) SIDBI has reported that normally marketing organisations are expected to obtain working capital advance from the banks. However, there is no objection to SFCs, Twin function IDCs and banks sanctioning working capital assistance to these units under the Single Window Scheme for financing, stocks of products of SSI units.

Schemes introduced by SIDBI for small sector under new industrial policy

822. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) what are the names and details of new schemes introduced|promoted by Small Industries Development Bank of India under the New Industrial Policy for small sector announced to generate higher growth rate of employment and to eradicate poverty;

(b) whether such schemes qualify for 100 per cent refinance through SFC and Schedule Banks; and

(c) if so, what are the details thereof, scheme-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) In December, 1991, the Small Industries Development Bank of India (SIDBI) introduced a scheme for Direct assistance to ancillary/sub-contracting units to encourage existing ancillary and sub-contracting units to undertake modernisation programme to meet the quality and competitiveness expected of their products. In addition, the scope of existing schemes like the National Equity Fund Scheme (NEFS) and the Single Window Scheme (SWS) has been enlarged.

(b) and (c) The assistance by way of equity and term loan granted by the SFCs and SIDBI under NEFS is eligible for 100 per cent refinance from SIDBI. The equity type of assistance granted by banks under the scheme is also eligible for 100 per cent refinance from SIDBI.

Assistance granted under SWS by SFCs and twin function IDCs upto Rs. 10 lakhs covered under the Automatic Refinance Scheme is eligible for 100 per cent. refinance. The loans for working capital under, SWS extended by SFCs and SIDCs is also eligible for 100 per cent refinance. The extent of refinance under other schemes is 75 per cent.

In respect of commercial banks, while terms loan granted to units under SWS are eligible for refinance upto 75 per cent of the amount of loan, the working capital assistance by way of cash credit facility is refinanced to the extent of 50 per cent of the limits sanctioned to the eligible units.

Scheme introduced by SIDBI for direct financial assistance for ancillaries

823. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Small Industrial Development Bank of India has introduced a new scheme of direct financial assistance for development of ancillaries;

(b) if so, what are the details of the said scheme, serial-wise;

(c) whether the new scheme referred in part (a) above has special attraction for entrepreneurs for easy liquidity of financial assistance without much formalities; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) The scheme for Direct Assistance to Ancillary|Sub-contracting units has been introduced by SIDBI in December, 1991 with the objective of encouraging existing ancillary|sub-contracting units linked to well established mother units, marketing organisations or export houses in private sector located in areas outside the jurisdiction of big metropolitan cities, to adopt improved|updated technology, improve their product quality, diversify product-range and improve marketing and exports on the basis of the recommendations of their mother units. The project may include need based additions or modifications to building, plant and machinery, miscellaneous assets and margin money for working capital. The promoters are required to bring in a minimum 25 per cent of project cost and the project will be considered on a debt-equity ratio of 3:1. Part of the equity|promoters contribution could be contributed by the mother unit The rate of interest would be the prevailing rate of interest of SIDBI, depending upon the amount of term loan, and the repayment period would be upto 8 years inclusive of a moratorium of one year.